

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 2835 - SB 3355

February 29, 2012

SUMMARY OF BILL: Requires all notices of foreclosure, land sales, transactions involving real property or other statutorily required legal notices to be published in a local newspaper with weekly circulation and posted on a website with free public access.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Exceeds \$100,000

Increase Local Expenditures –Exceeds \$300,000*

Assumptions:

- It is assumed in the event of a foreclosure, all expenditures associated with the required notice would be incurred by private lenders or borrowers. Any increase in state or local government expenditures for notice of foreclosure is estimated to be not significant.
- The required notice of all land sales in a local newspaper and on a free public access website will impact state and local governments. The number of land sales held by cities, counties, and state entities will vary across the state.
- It is assumed that the required notification of any transaction involving real property and all other statutorily required legal notices will increase state and local government expenditures.
- Publishing all statutorily required legal notices in a local newspaper and on a free public access website will increase state and local expenditures.
- The cost to publish any of the required notices in a local newspaper will depend upon several unknown factors including the extent of land sales made by state and local governments; the extent of notices that state and local governments will be required to publish; the size and length for any required notification; the duration of publication for any required notification; and the rate charged for any required notification.
- There are state and local government entities which own and operate their own website which could be used for the purpose of posting required notifications; any increase in governmental expenditures for these entities to publish notifications on their websites is considered not significant.
- The precise number of entities without a website is unknown. These governmental entities are assumed to not have access to a free public access website. It is assumed these governmental entities will comply with the provisions of this bill. Some entities

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may opt to build their own website, which will require the employment of a web designer, purchasing a domain, and employing a manager of the site to maintain all required notices. Other entities will lease server space on a private developer website. The potential expenditures associated with publishing the required notices on websites for these governmental entities are difficult to determine.

- Due to the extent of unknown factors, a precise fiscal impact to state and local governments is difficult to determine. However, it is reasonable to estimate that this legislation will cause a recurring increase in state expenditures exceeding \$100,000; as well as a recurring increase in local government expenditures exceeding \$300,000.
- The provisions of the bill could have a significant impact on private entities as well. The impact on private entities is not quantifiable and was not considered during the analysis of the fiscal note.

*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

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